Calendar No. 87

99TH CONGRESS
1st Session

SENATE

REPORT
99-37

PROMOTING AN END TO APARTHEID IN SOUTH AFRICA

APRIL 24 (legislative day, APRIL 15), 1985.—Ordered to be printed

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Mr. MATHIAS, from the Committee on Foreign Relations, submitted the following

REPORT

together with

ADDITIONAL VIEWS

[To accompany S. 998]

The Committee on Foreign Relations, having had under consideration an original bill to require the imposition of economic sanctions against the Government of South Africa if, within two years, significant progress has not been made toward ending its policy of apartheid, and for other purposes reports favorably thereon and recommends that the bill do pass.

PURPOSE

The purpose of the bill is to impose economic sanctions on South Africa unless progress is made in ending the policy of apartheid.

BACKGROUND

There has been continued unrest and mounting protests against the policy of apartheid in the Republic of South Africa since the summer of 1984. In August and September violence broke out in several black townships in response to rent increases, the existence of inferior educational facilities for blacks, and the recent constitutional reform which denies the black majority the right to participate in the newly structured parliament. The government responded to the violence with force, and as a result, some 3,500 blacks were arrested, 1,000 were injured in clashes with the police, and nearly 200 were killed. More recently, in March 1985, at least 19

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blacks en route to the funeral of a young black activist were killed by the South African police outside the city of Uitenhage in the eastern Cape Province. Overall, more than 200 black persons have been killed by the South African government forces. Approximately 40 persons have died as a result of conflict among residents in the black townships.

MAJOR PROVISIONS

The bill states that it "shall be the policy of the United States to impose economic sanctions against the Government of South Africa if, within two years of the date of enactment . . . significant progress has not been made toward ending the policy of apartheid." To encourage other nations to work with the United States to end apartheid, the President is urged in the bill to raise the issue of reform in South Africa during the forthcoming economic summit and to establish an Inter-Allied Working Group on South Africa to monitor reforms and, if necessary, develop multilateral sanctions.

The bill directs the President to prepare and transmit to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate on March 1, 1987, a report on the "extent to which significant progress has been made toward ending the system of apartheid." The report is to include: (1) a "detailed assessment" of the extent to which the Government of South Africa has made progress in housing black workers with their families, abolishing pass laws, terminating the migrant labor system, allowing unrestricted labor union rights for all, and increasing local investment in black education and training; (2) a statement of conclusions drawn by the Inter-Allied Working Group; (3) a Presidential determination as to whether significant progress has been made; and (4) a recommendation by the President as to which economic sanctions shall be imposed if he determines that the Government of South Africa has not made significant progress. The sanctions to be considered include a ban on new commercial investment in South Africa, a ban on new bank loans to the Government of South Africa, a ban on the importation of South African krugerrands, and a ban on the sale of computers to the Central Government of South Africa.

Once the President's report has been received by the Congress, the bill provides that any joint resolution enacting any of the sanctions identified in the bill is to be considered under expedited procedures in both the Senate and the House.

COMMITTEE ACTION

On March 27, 1985, during consideration of S. 660, the Administration's foreign aid request for Fiscal Year 1986, Senator Mathias offered an amendment declaring that it shall be the policy of the United States to impose economic sanctions against the Government of South Africa if the President determines that that government has not made "significant progress" toward ending its policy of apartheid. Senator Cranston, on behalf of himself and Senators Sarbanes and Kerry, offered a substitute that would prohibit new loans and other extensions of credit—except for those for educa-

tion, housing, or health facilities available to all South Africans on a non-discriminatory basis—to the Government of South Africa or any entities under its control by individuals or organizations subject to the jurisdiction of the United States until such time as the South African government abolishes its system of apartheid.

At the suggestion of Senator Mathias, the Committee agreed to lay aside the foreign aid bill temporarily in order to consider amendments offered by Senators Mathias and Cranston as free standing bills. Some members urged that the Committee take this step so that the important policy issues presented by the situation in South Africa would not become entangled with the very different issues presented by authorization of foreign assistance. They wished to be sure that these separate areas of foreign policy would be considered on their own merits. Committee members also made it clear that consideration of these two bills did not foreclose further Committee action on South Africa.

The Committee considered the Cranston bill first. It was defeated 8 to 9. Those voting "aye" were Senators Pell, Biden, Sarbanes, Zorinsky, Cranston, Dodd, Eagleton and Kerry. Those voting "nay" were Senators Lugar, Helms, Mathias, Kassebaum, Boschwitz, Pressler, Murkowski, Trible and Evans. The Committee then adopted 16 to 1 the Mathias bill which was cosponsored by Senators Boschwitz and Trible. Those voting "aye" were Senators Lugar, Mathias, Kassebaum, Boschwitz, Pressler, Murkowski, Trible, Evans, Pell, Biden, Sarbanes, Zorinsky, Cranston, Dodd, Eagleton and Kerry. Senator Helms voted "nay."

COMMITTEE COMMENTS

Several members of the Committee have expressed concern that legislative inactivity by the Senate may be considered as an acceptance of the South African system of apartheid. Similar sentiments have been conveyed by other members of the Senate. Senator Proxmire has introduced a bill, S. 147, which, if enacted, would impose a variety of economic sanctions on South Africa. It was referred to the Committee on Foreign Relations for its consideration. Senators Kennedy and Weicker have introduced legislation, S. 635, on behalf of themselves and others, including Senators Biden, Sarbanes, Cranston and Kerry, that is similar, but not identical to that introduced by Senator Proxmire. This legislation was referred to the Committee on Banking, Housing, and Urban Affairs.

During consideration of the Administration's foreign aid request for Fiscal Year 1986, Senator Lugar announced that the Committee on Foreign Relations would be holding a hearing on South Africa during the week of April 21, 1985 with a markup soon thereafter.

The bill adopted and reported favorably by the Committee on Foreign Relations is based on the principle of conditional economic relations with South Africa. This principle was enunciated earlier this year by Bishop Desmond Tutu, the Anglican Bishop of Johannesburg, South Africa. Bishop Tutu stated that he would support the cessation of foreign, including American, investment in South Africa if the system of apartheid is not actively dismantled within eighteen to twenty-four months.

The Committee bill would provide the President with considerable flexibility vis-a-vis the determination of progress by the Government of South Africa and the selection of economic sanctions. The Committee views this bill as an expression of its deep concern about the unacceptable situation in South Africa and as a direct response to the use of force by the Government of South Africa against South African blacks.

SECTION-BY-SECTION ANALYSIS

Section 1 states that it shall be the policy of the United States to impose economic sanctions against the Government of South Africa if significant progress has not been made toward ending the policy of apartheid within two years of the date enactment of the bill. It calls for the President to raise the issue of apartheid at the May 1985 economic summit and to establish an Inter-Allied Working Group on South Africa to monitor reforms and develop multilateral economic sanctions against South Africa, if necessary. The section further requires that the President is to transmit to Congress on March 1, 1987 a report on the extent of progress made towards ending apartheid.

This report must assess the extent to which the South Africa Government has made progress in allowing black workers to be housed with their families, in abolishing the pass laws, in terminating the migrant labor system, in allowing unrestricted labor union rights for all, and in increasing investment in black education and training. The report must also contain a Presidential determination of the progress that has been made in these specified areas, a statement of any conclusions drawn by the Inter-Allied Working Group, and in the event that the President has determined that significant progress has not been made, a recommendation as to which of the following sanctions should be imposed: a ban on new investment, a ban on new bank loans to the Government of South Africa, a ban on the importation of krugerrands, or a ban on the sale of computers to the Central Government of South Africa.

Once the report has been received, any of the sanctions identified in the bill may be enacted by a joint resolution of Congress. The resolution would be treated in the Senate under the expedited procedures provided in 601(b) of the International Security Assistance and Arms Export Control Act of 1976. Section 2 specifies that any joint resolution described in section 1 shall be treated as highly privileged in the House of Representatives.

COST ESTIMATE

In accordance with Rule XXVI, paragraph 11(a) of the Standing Rules of the Senate, the Committee provides the following estimates of the cost of this bill, prepared by the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 19, 1985.

Hon. RICHARD B. LUGAR,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed a bill to require the imposition of economic sanctions against the Government of South Africa if, within two years, significant progress has not been made toward ending its policy of apartheid, and for other purposes; as ordered reported by the Senate Committee on Foreign Relations on March 27, 1985.

CBO expects this bill to have no significant costs to federal, state, or local governments; the bill only requires a report and leaves possible sanctions to future legislation. Specifically, the bill requires the President to transmit a report to Congress on March 1, 1987 on the extent to which significant progress has been made toward ending the system of apartheid in South Africa along with recommendations for sanctions against South Africa should he find significant progress has not been made. CBO assumes the cost of preparing this report could be funded within current budgetary levels.

Imposing any economic sanctions will require subsequent Congressional action. While the bill lists sanctions for the President to consider, he is not limited to these suggestions in his report. Should these sanctions be enacted at a later date, the direct cost incurred by the federal government would be small since few federal programs involve South Africa. In general, the burden would be borne by business and by capital investors. CBO cannot estimate the indirect costs that might then be borne by the federal government, for example, lower tax revenues from corporations.

Pension funds of state and local governments could be affected if legislation ordering the withdrawal of existing commercial investment in South Africa was enacted. Opponents of divestment argue that it would "increase investment risk, reduce investment and diversification opportunities, and increase the costs of research, trading and administration." Proponents of divestment say the effect on portfolios would not be significant. Several states and cities, including Massachusetts, Connecticut, and New York City, have already passed legislation limiting pension fund investment in South Africa.

With best wishes,
Sincerely,

RUDOLPH G. PENNER,
Director.

EVALUATION OF REGULATORY IMPACT

In compliance with paragraph 11(b) of Rule XXVI of the Standing Rules of the Senate, the Committee has evaluated the regulatory impact of the bill. The Committee expects that the bill will have no regulatory impact; it only requires a report by the President.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of Rule XXVI of the Standing Rules of the Senate, the Committee notes that no changes in existing law are made by this bill.

ADDITIONAL VIEWS OF SENATOR CRANSTON

The Committee's historic action endorsing by a 16–1 vote the imposition of economic sanctions against the apartheid regime in South Africa, "unless significant progress has been made toward ending the policy of apartheid" in the next twenty-four months, should be viewed as an extraordinary step. I believe this step is evidence of the gravity with which most members of this Committee view the current situation in South Africa.

I believe that members of the Committee are highly skeptical of the efficacy of economic sanctions as a foreign policy tool. The United States has employed economic sanctions sparingly, and with only mixed results. For example, in recent years the United States has—for different reasons—curtailed certain types of commerce with each of the following nations: Iran, Libya, North Korea, Cuba, Vietnam, Poland, South Yemen, Syria, and the U.S.S.R.

But the worsening situation in South Africa compels us to invoke economic sanctions. It is clear that U.S. efforts to encourage meaningful change in the apartheid system through "constructive engagement" with the Pretoria government have not produced any substantial results at all. Yet the policy of "constructive engagement" has left many blacks and whites in South Africa and elsewhere with the distinct impression that the U.S. is tolerant of the status quo and accepts business-as-usual with the apartheid regime.

Over the past several months, nearly two hundred unarmed South African blacks have been killed in clashes with security forces. Millions of blacks have been uprooted from their home in recent years. Eight million blacks have been denationalized and lost their citizenship through banishment to arid 'homelands.' And all of South Africa's twenty-three million blacks are still denied the right to vote as South African citizesn in the land of their birth. Constitutional 'reforms' to date have proved piece meal at best, fraudulent at worst.

In recent days, civil unrest and violence have escalated. On March 21, South Africa police forces opened fire with automatic rifles, pistols, and shotguns on some 3,000 unarmed blacks who were en route to a funeral. On March 23 and 24, another 10 blacks died in confrontations with the South African police force. On March 25, many of the leading clergymen in South Africa were arrested in Cape Town as they were marching peacefully from a Methodist church to the parliament building to present a petition calling for an end to the violence. Despite President P.W. Botha's express promise to talk with black leaders, nearly all of the leaders of the anti-apartheid United Democratic Front have recently been arrested and charged with treason.

U.S. efforts to end apartheid are necessary to reduce the possibility that turmoil in South Africa will make that nation a more vulnerable target for communist adventurism. The U.S. must be a pro-

gressive force for change, applying pressure where pressure is most needed—on the white officials who monopolize economic and political power in South Africa. It is economic sanctions, of the type proposed by the Committee action, which promise to have the strongest effect on these South African policymakers.

The Committee's 16–1 vote proposed two principal economic sanctions. These would limit new U.S. investments in South Africa and bar new U.S. bank loans to South African government entities. While I believe the U.S. should be prepared to invoke these sanctions immediately, I believe the Committee's endorsement of these sanctions in principle is an historic step.

The ban on new investments would limit the flow of U.S. capital to South Africa until the apartheid system is changed. Critics have argued that this sanction could impose undue hardship on South African blacks who work for U.S. companies. But this is not a disinvestment proposal; it would not affect existing jobs. While it would impose an opportunity cost by limiting future job expansion, it should be noted that less than 70,000 blacks in South Africa work for U.S. companies. U.S. companies are not presently expanding their South African operations. But even if they did contemplate such actions, but had to forego expansion because of U.S. law, the few new job opportunities lost would be pale in comparison to the necessity of taking action to try to improve the plight of South Africa's 23 million oppressed blacks. Bishop Tutu has been most forceful on this issue of whether or not blacks would suffer from economic sanctions: "the argument is moral humbug" Bishop Tutu told Newsweek in a March 1985 interview, "it is no use being well-to-do when you are a slave."

The ban on new bank loans to South African government entities, as it was originally proposed to the Committee in my amendment, would exempt loans to South African agencies providing services to blacks and whites on a non-discriminatory basis. This ban would be consistent with the policy of at least twenty-six U.S. banks who have independently adopted a policy prohibiting new loans to the South African public sector. It is noteworthy also that many leading U.S. educational institutions have withdrawn funds from U.S. banks that continue to extend credit to the South African government. And Japan and Sweden have enacted bars on new loans to the South African government similar to that proposed by the Committee's action.

The Committee's action endorsing these and other economic sanctions provides an effective means for the U.S. government to press white authorities for change, while limiting the harm these sanctions will impose on the oppressed black majority in South Africa. By increasing pressures for an end to apartheid, these sanctions can serve the United States' national interest in a stable transition to majority rule in the strategic southern Africa region. The only disagreement I have with the members of the Republican majority on the Committee who joined in endorsing these sanctions, while delaying their application, is a disagreement over timing. I believe the time has already passed for the U.S. to take such actions. In reaching this conclusion, I am moved by the words of Clifton R. Wharton, Chancellor of the State University of New

York, Chairman of the Board of The Rockefeller Foundation and a director of the Ford Motor Company, who recently wrote:

> Finally there comes to a point so incompatible with one's respect for humanity itself that compromises with conscience can no longer be tolerated or rationalized. When a human situation so fundamentally affronts every tenet of human values, a public expression of personal opposition is a moral obligation.

I believe that point has already been reached in South Africa and that the U.S. government has a moral obligation to act.

ALAN CRANSTON.

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Calendar No. 88

99TH CONGRESS
1st Session

SENATE

REPORT
99-38

MULTILATERAL DEVELOPMENT BANKS

APRIL 25 (legislative day, APRIL 15), 1985.—Ordered to be printed

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Mr. LUGAR, from the Committee on Foreign Relations, submitted the following

REPORT

[To accompany S. 684]

The Committee on Foreign Relations, to which was referred the bill (S. 684) to provide for increased participation by the United States in the International Bank for Reconstruction and Development, the International Finance Corporation, and the African Development Fund, having considered the same, report favorably thereon with amendments and recommends that the bill as amended do pass.

PURPOSE OF THE BILL

The purpose of the bill is to provide for increased participation by the United States in the International Bank for Reconstruction and Development, the International Finance Corporation, and the African Development Fund.

MAJOR PROVISIONS

1. The bill authorizes an increase in the subscription of the United States to the shares of the International Bank for Reconstruction and Development and, in order to pay for this increase, authorizes to be appropriated without fiscal year limitations, $1,502,267,655.

2. The bill authorizes an increase in the subscription of the United States to the shares of the International Finance Corporation and, in order to pay for this increase, authorizes to be appropriated without fiscal year limitation, $175,162,000.

3. The bill authorizes to be appropriated, without fiscal year limitation, $225 million for contribution by the U.S. Governor of the

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African Development Fund to the fourth replenishment of the resources of the Fund.

Committee Action

On March 12, 1985, the committee heard from James Conrow, Deputy Assistant Secretary for Developing Nations at the Department of the Treasury, with respect to the administration's requests for funding authorizations for three multilateral development banks. On March 19 Senator Lugar introduced, by request, S. 684 providing for increased participation by the United States in the International Bank for Reconstruction and Development, the International Finance Corporation, and the African Development Fund. S. 684 was approved by the committee with technical amendments on April 2, 1985, by a vote of 15 to 1 (ayes: Senators Lugar, Mathias, Kassebaum, Boschwitz, Pressler, Murkowski, Trible, Evans, Pell, Biden, Sarbanes, Cranston, Dodd, Eagleton, and Kerry; no: Senator Zorinsky).

Committee Comments

The committee, as a general rule, authorizes funding for the keeping with the manner in which MDB replenishments are negotiated and presented to Congress by the administration. This year the administration sought authority to participate in three recently negotiated capital increases for the International Bank for Reconstruction and Development, the International Finance Corporation, and the African Development Fund.

The committee reaffirmed its longstanding support for the MDB's by approving in full the administration requests. The committee notes that one important measure of the degree to which the MDB's serve U.S. interests is that out of 37 countries that received U.S. Economic Support Fund allocations in 1984 the MDB's lent to 32 of them. The United States provided $6.7 billion in bilateral assistance to these 32 countries in 1984 while the MDB's provided an additional $4.9 billion. MDB assistance, in short, supports countries in whose stability and well-being the United States has an interest.

International Bank for Reconstruction and Development [IBRD]

The IBRD (known also as the World Bank) is the world's preeminent multilateral financial intermediary operating in developing countries. It had an estimated $11 billion lending program in fiscal year 1985.

The administration requested authority to participate in the World Bank's $8.4 billion selective capital increase [SCI]. The purpose of the SCI is to adjust members' relative shares to better reflect their relative positions in the world economy and also to parallel their relative positions in the IMF. The U.S. share of the SCI is equal to 18 percent of the total—approximately $1.5 billion. On this amount, only $131 million (8.75 percent) would be in the form of paid-in capital requiring actual outlays by the U.S. Treasury with the remaining $1.4 billion in the form of callable capital,

which will not require budget outlays. Failure of the United States to subscribe to this additional capital would mean a loss in U.S. voting power to the point that the United States would be unable to veto amendments to the Bank's charter.

The most significant adjustment in country shares related to Japan. As a result of the SCI, Japan's ranking in the share capital of the IBRD—that is, potential voting power—changed from fifth to second position with 9.463 percent share of the capital increase.

International Finance Corporation [IFC]

The International Finance Corporation [IFC] was established in 1956 as a member of the World Bank Group to promote private sector enterprises in its developing member countries by providing risk capital as well as long-term loans. The IFC currently has 125 members, largely the same membership as the World Bank. The proposed capital increase is only the second such increase negotiated since its creation. The last capital increase of $540 million took place in 1977. The proposed replenishment would double the authorized capital stock from $650 million to $1300 million. The U.S. share of 27 percent ($175 million) would be paid in five equal installments beginning in fiscal year 1986.

Because the capital increase requires a favorable vote by countries having 75 percent of the total voting power, U.S. support is necessary for the increase to become effective.

African Development Fund

The African Development Fund [AFDF] was established in 1973 to provide concessional financing for high priority development projects in the poorest African countries. In 1984 some 23 member countries received almost $350 million in highly concessional loans from the AFDF.

The administration requested authority to participate in the fourth replenishment ($1.5 billion) of the AFDF. The U.S. share of the proposed replenishment would total $225 million in (15 percent) to be paid in equal installments over the next 3 years. U.S. participation in the AFDF IV replenishment requests nearly a doubling of our participation over AFDF ($125 million), but the committee believes that this is justified given the pressing needs in Africa and the significant role played by the AFDF in channeling resources to the poorest nations of Africa.

Section-by-Section Analysis

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT SELECTIVE CAPITAL INCREASE

Section 1 of the bill authorizes the Secretary of the Treasury, as Governor of the International Bank for Reconstruction and Development [IBRD], to vote for an increase of 70,000 shares in the World Banks' capital stock, and to subscribe on behalf of the United States to 12,453 shares of the capital stock of the Bank. This section also authorizes the appropriation of $1,502,267,655 to pay for the U.S. subscriptions. It further provides that any commitment to subscribe to shares of the capital stock of the Bank shall

be effective only to the extent or in such amounts as are provided in advance in appropriations acts.

INTERNATIONAL FINANCE CORPORATION

Section 2 of the bill authorizes the Secretary of the Treasury, as Governor of the International Finance Corporation [IFC], to vote for an increase of 650,000 shares in the authorized capital stock of the Corporation; and to subscribe on behalf of the United States to 175,162 additional shares of the capital stock of the Corporation. The bill also authorized the appropriation of $175,162,000 to pay for the U.S. subscriptions. This section further requires that any commitment to make payment for such additional subscriptions shall be effective only to such extent or in such amounts as are provided in advance in appropriations acts.

AFRICAN DEVELOPMENT FUND

Section 3 of the bill authorizes the Secretary of the Treasury, as U.S. Governor of the African Development Fund [AFDF], to agree on behalf of the United States to pay $225 million as the U.S. contribution to the fourth replenishment of the Fund. This section also authorizes the appropriation of $225 million for payment of the AFDF IV contribution, and requires any commitment to make a contribution to the AFDF be made subject to obtaining the necessary appropriations.

EVALUATION OF REGULATORY IMPACT

In accordance with rule XXVI, paragraph 11(b) of the Standing Rules of the Senate, the committee has concluded that there is no regulatory impact from S. 684.

COST ESTIMATE

Rule XXVI, paragraph 11(a) of the Standing Rules of the Senate requires that committee reports on bills or joint resolutions contain a cost estimate for such legislation in the fiscal year it is reported and in each of the following 5 years. The Congressional Budget Office has prepared the following estimate for S. 684.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 10, 1985.

Hon. RICHARD G. LUGAR,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate on S. 684, a bill for increased participation by the United States in the International Bank for Reconstruction and Development, the International Finance Corporation, and the African Development Fund, as ordered reported by the Senate Committee on Foreign Relations on March 27, 1985.

Should the committee so desire, we would be pleased to provide further details on the attached cost estimate.

With best wishes,
Sincerely,

RUDOLPH G. PENNER.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: S. 684.
2. Bill title: A bill for increased participation by the United States in the International Bank for Reconstruction and Development, the International Finance Corporation, and the African Development Fund.
3. Bill status: As ordered reported by the Senate Committee on Foreign Relations on March 27, 1985.
4. Bill purpose: The bill authorizes subscriptions to the capital stock of the International Bank for Reconstruction and Development and the International Finance Corporation, a contribution to the African Development Fund, and the appropriation of $1,902.4 million for the subscriptions and contributions.
5. Estimated cost to the Federal Government:

[By fiscal year, in billions of dollars]

	1986	1987	1988	1989	1990
Estimated authorization	176	176	110	35	35
Estimated callable capital subscription	(685)	(685)			
Estimated outlays	42	73	103	87	70

Costs for this bill fall in budget function 150.

Basis for estimate: The estimate assumes enactment of this legislation by September 30, 1985, that paid-in capital subscriptions and contributions will be appropriated, and that callable capital subscriptions will be provided in program limits in appropriations acts as requested by the President over the next 5 years. Outlays were estimated using historical spendout rates.

6. Estimated cost to State and local governments: None.
7. Estimate comparison: None.
8. Previous cost estimate: None.
9. Estimate prepared by: Joseph C. Whitehill.
10. Estimate approved by: C.G. Nuckols (for James L. Blum, Assistant Director for Budget Analysis).

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in Roman):

BRETTON WOODS AGREEMENTS ACT, AS AMENDED

* * * * * * *

SEC. 51. (a) The United States Governor of the Bank is authorized—

(1) to vote for an increase of seventy thousand shares in the authorized capital stock of the Bank; and

(2) to subscribe on behalf of the United States to twelve thousand four hundred and fifty-three additional shares of the capital stock of the Bank: Provided, however, That any subscription to additional shares shall be effective only to such extent or in such amounts as are provided in advance in appropriations Acts.

(b) In order to pay for the increase in the United States subscription to the Bank provided for in this section, there are hereby authorized to be appropriated, without fiscal year limitations, $1,502,267,655, for payment by the Secretary of the Treasury.

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